GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1679
ANSWERED ON:08.08.2006
LEASING OUT OF NTC MILLS
Jai Prakash Shri

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government proposes to run some of the mills of national Textile Corporation (NTC) by leasing them out;

(b) if so, the details thereof, State-wise;

(c) the present status of the proposal; and

(d) the time by which the decision is likely to be announced by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a) & (b) Government has proposed to modernize and run 29 mills of NTC through Joint Venture route by forming Special Purpose Vehicle (SPV) with the private partners. List of these mills is placed at Annexure .

c) NTC invited Expression of Interest (EOI) in November 2005 to run the mills through joint venture with private entrepreneurs on lease basis, to which response was not encouraging. Therefore, it was decided to appoint an Adviser to suggest a better model of Joint Venture. Appointment of Adviser is in the final stages.

d) The proposal for Joint Venture has been approved by the Board for Industrial and Financial Reconstruction (BIFR) as a part of the Revival Scheme for NTC, which is proposed to be implemented by the year 2008. However, the entire scheme of Modified Rehabilitation Scheme (MRS) to which the Joint Venture proposal pertains, is yet to be approved by the Competent Authority.